



WASHINGTON STATE LIQUOR CONTROL BOARD

## Notice of Proposed Rule Making #04-21

The Washington State Liquor Control Board would like your input on the attached proposed rules regarding **special occasion licenses for nonprofit organizations**.

This rule making is filed with the Office of the Code Reviser in Washington State Register number 04-16-123 (<http://slc.leg.wa.gov/wsr/register.htm>).

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### What Changes are the Liquor Control Board Considering?

Currently there are no rules regarding special occasion licenses. Rules are needed to implement and further explain the guiding laws, RCW 66.24.375 and RCW 66.24.380, and portions of RCW 66.28.010 (the "tied house" law). The Liquor Control Board is proposing the attached three new rules:

- **WAC 314-05-020 What is a special occasion license?** A rule to explain what a special occasion license is, fees, and qualifications for the license.
- **WAC 314-05-025 Application process for a special occasion licenses.** A rule to explain the application process.
- **WAC 314-05-030 Guidelines for special occasion license events.** A rule to explain the guidelines for special occasion events.

### Public Comment

The Board encourages you to comment on the proposed rules. You may attend the public hearing listed below, or forward your comments to the Board by **October 15, 2004**.

**By mail:** Rules Coordinator  
Liquor Control Board  
PO Box 43080  
Olympia WA 98504-3080

**By e-mail:**  
[rules@liq.wa.gov](mailto:rules@liq.wa.gov)

**By fax:**  
360-704-4921

**Public hearing:** **October 6, 2004**  
**9 a.m.**  
Washington State Liquor Control Board  
Board Room  
3000 Pacific Ave SE, Olympia

### Questions?

If you have any questions, please contact Teresa Berntsen, Rules Coordinator, at 360-664-1648 or by e-mail at [rules@liq.wa.gov](mailto:rules@liq.wa.gov)

September 3, 2004

# Proposed Rules

## NEW SECTION

**WAC 314-05-020 What is a special occasion license?** (1) Per RCW 66.24.380, a special occasion license allows a nonprofit organization to sell, at a specified date, time, and place:

(a) spirits, beer, and wine by the individual serving for on-premises consumption; and

(b) beer and wine in original, unopened containers for off-premises consumption.

(2) Special occasion licensees are limited to twelve days per calendar year (see RCW 66.24.380(1) for an exception for agricultural fairs).

(3) The fee for this license is \$60 per day, per event. Multiple alcohol service locations at an event are an additional \$60 per location.

(4) Guidelines for nonprofit organizations--

(a) Per RCW 66.24.375, all proceeds from the sale of alcohol at a special occasion event must go directly back into the nonprofit organization, except for reasonable operating costs for actual services performed at compensation levels comparable to like services within the state.

(b) Per RCW 66.28.010, officers, directors, and/or stockholders of the organization may not have an interest in a manufacturer, importer, or distributor of alcohol.

## NEW SECTION

**WAC 314-05-025 Application process for a special occasion licenses.** (1) Special occasion applications normally take forty-five days to process. The liquor control board may not be able to process your application in time for your event if you do not apply at least forty-five days before the event.

(2) Per RCW 66.24.010(8), when the board receives a special occasion application, it must send a notice to the local authority. The local authority has 20 days to respond with any input, and they may request an extension for good cause.

(3) The liquor control board may run a criminal history check on the organization's officers and/or managers.

(4) The liquor control board may request documentation to verify the organization is a bona-fide nonprofit, who the true party(ies) of interest are in the organization, and that the organization meets the guidelines outlined in WAC 314-05-020 and 314-05-025.

(5) See chapter 314-07 WAC regarding possible reasons for denial of a special occasion license. Denials are subject to the provisions of the Administrative Procedure Act, chapter 34.05 RCW.

## NEW SECTION

**WAC 314-05-030 Guidelines for special occasion license events.**

- (1) The special occasion license must be posted at the event.
- (2) Special occasion licensees may get alcohol for the event only from the following sources:
  - (a) Spirits must be purchased from a Washington state-run or contract liquor store;
  - (b) Beer and wine must be purchased at retail or from a beer or wine distributor; and
  - (c) Per RCW 66.28.040, in state breweries and wineries and out-of-state breweries and wineries holding a certificate of approval license may donate beer and wine to special occasion licensees that are 501(c)(3) charitable organizations.
- (3) Special occasion licensees may not advertise or sell alcohol below cost. If donated product is sold by the special occasion licensee, it may not be advertised or sold below the manufacturers' cost.
- (4) Per RCW 66.28.010, alcohol manufacturers, importers and distributors may provide advertising, pouring, or dispensing of beer or wine at a beer or wine tasting exhibition or judging event, but may not provide money, goods, or services to special occasion licensees.
- (5) Per RCW 66.28.380, the sale, service, and consumption of alcohol must be confined to a designated location(s).
- (6) If a special occasion license function is held at an establishment that has a liquor license:
  - (a) The special occasion function must be held in an area of the premises separate from areas open to the general public, and the licensed premises' liquor cannot be sold or served in the same area(s) as the special occasion license function.
  - (b) The liquor licensee cannot charge for the liquor purchased by the special occasion licensee for service at the special occasion event, but can charge for room usage, services, etc. The liquor licensee must sign the special occasion application giving permission for the special occasion licensee to bring their alcohol onto the liquor licensed premises.
  - (c) Special occasion licensees will not be issued for use at premises whose liquor license will be suspended on the date(s) of the scheduled event.